



## **DEPARTMENT OF COMMERCE**

### **United States Patent and Trademark Office**

**[Docket No.: PTO-P-2015-0055]**

### **Request for Comments on a Proposed Pilot Program Exploring an Alternative Approach to Institution Decisions in Post Grant Administrative Reviews**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Request for comments.

**SUMMARY:** The United States Patent and Trademark Office (USPTO) is requesting comments on a proposed pilot program pertaining to the institution and conduct of the post grant administrative trials provided for in the Leahy-Smith America Invents Act (AIA). The AIA provides for the following post grant administrative trials: Inter Partes Review (IPR), Post-Grant Review (PGR), and Covered Business Method Review (CBM). The USPTO currently has a panel of three APJs decide whether to institute a trial, and then normally has the same three-APJ panel conduct the trial, if instituted. The USPTO is considering a pilot program under which the determination of whether to institute an IPR will be made by a single APJ, with two additional APJs being assigned to the IPR if a trial is instituted. Under this pilot program, any IPR trial will be conducted by a panel of three APJs, two of whom were not involved in the determination to institute the IPR.

**DATES:** *Comment Deadline Date:* To be ensured of consideration, written comments must be received on or before October 26, 2015.

**ADDRESSES:** Comments must be sent by electronic mail message over the Internet addressed to: PTABTrialPilot@uspto.gov. Electronic comments submitted in plain text are preferred, but also may be submitted in ADOBE® portable document format or MICROSOFT WORD® format. The comments will be available for viewing via the USPTO's Internet Web site (<http://www.uspto.gov>). Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

**FOR FURTHER INFORMATION CONTACT:** Scott R. Boalick, Vice Chief Administrative Patent Judge, Patent Trial and Appeal Board, by telephone at (571) 272-9797.

**SUPPLEMENTARY INFORMATION:**

Introduction: The first petitions for AIA post grant administrative trials were filed on September 16, 2012. Since then, over 3,600 petitions have been filed, and over 1,500 trials have been instituted. The USPTO has thus far been able to meet the demands placed on its resources created by the unexpectedly heavy workload. The Patent Trial and Appeal Board (PTAB) has issued over 2,200 decisions on institution and over 450 final written decisions. In three-plus years, the PTAB has not missed one statutory or regulatory deadline. At the same time, the PTAB has reduced the backlog of ex parte appeals.

Notwithstanding the success-to-date, the USPTO is pro-actively looking for ways to enhance its operations for the benefit of its stakeholders and therefore is interested in exploring alternative approaches that might improve its efficiency in handling AIA post grant proceedings while being fair to both sides and continuing to provide high quality decisions. Based upon comments received from the public through public fora and formal requests, the agency is considering a pilot program to test changing how the institution phase of a post grant proceeding is handled.

Once trial is instituted, the AIA mandates that the resulting trial be conducted before a three-member panel of the PTAB. Generally, under current practice, the same panel of three administrative patent judges (APJs) decides whether to institute and, if instituted, handles the remainder of the proceeding, much like how federal district court judges handle cases through motions to dismiss, summary judgment, and trial. But a three-judge panel of the PTAB is not required under the statute prior to institution, and the USPTO believes it is prudent to explore other potentially more efficient options, especially given that the number of petitions filed may continue to increase.

To date and currently, the agency has intended to meet the resource demands on the PTAB due to both AIA post grant proceedings and ex parte appeals by hiring additional judges. Even with continued hiring, however, increases in filings and the growing number of cases may strain the PTAB's continuing ability to make timely decisions and meet statutory deadlines. Therefore, the agency wishes to explore and gain data on a

potentially more efficient alternative to the current three-judge institution model. Having a single judge decide whether to institute trial in a post grant proceeding, instead of a panel of three judges, would allow more judges to be available to attend to other matters, such as reducing the ex parte appeal backlog and handling more post grant proceedings.

Background: As discussed previously, the AIA provides for IPR, PGR, and CBM trials, under which a petitioner may seek cancellation of one or more claims of a patent. The AIA provides that the Director decides whether to institute an IPR, PGR, or CBM trial. See 35 U.S.C. 314 and 324. An IPR is not instituted unless there is a determination that the petition demonstrates that there is a reasonable likelihood that at least one of the claims challenged in the petition is unpatentable. See 35 U.S.C. 314(a). A PGR or CBM is not instituted unless there is a determination that the petition, if unrebutted, demonstrates that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. See 35 U.S.C. 324(a). Alternatively, a PGR or CBM may be instituted where the petition raises a novel or unsettled legal question that is important to other patents or patent applications. See 35 U.S.C. 324(b). Once instituted, and after a trial is conducted, the PTAB issues a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added during the review. See 35 U.S.C. 318 and 328. The final determination in an IPR, PGR, or CBM must, with limited exceptions, be issued not later than one year after the date on

which the institution of the IPR, PGR, or CBM is noticed. See 35 U.S.C. 316(a)(11) and 326(a)(11); 37 CFR 42.100(c), 200(c), and 300(c).

The authority to determine whether to institute and conduct a trial has been delegated to a Board member or employee acting with the authority of the Board. See 37 CFR 42.4; see also Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612, 48647 (Aug. 14, 2012). As a result, neither the AIA nor the USPTO's rules require that an institution decision be made by a panel of multiple individuals within the USPTO. The AIA does, however, require that the final written decision in an IPR, PGR, or CBM be rendered by a panel of at least three APJs. See 35 U.S.C. 6(c). The PTAB has developed the practice of deciding whether to institute an IPR, PGR, or CBM trial via three-APJ panels, and then conducting the trial, if instituted, usually by the same three-APJ panel.

Proposed Pilot Program: The USPTO is seeking input on whether to conduct a pilot program under which a single APJ would decide whether to institute an IPR trial, with two additional APJs being assigned to conduct the IPR trial, if instituted. Under this pilot program, any IPR trial will be conducted by a panel of three APJs, two of whom were not involved in the determination to institute the IPR.

Conduct of Proposed Pilot Program: The USPTO is considering selecting certain petitions for inclusion in the proposed pilot program from among all IPR petitions filed

during a specific period. The selection would continue for at least three and up to six months. The pilot program would be limited to IPRs. The USPTO would consider the results of this pilot program to determine whether and to what degree to implement this approach more generally in the future, for example, potentially only in response to an unusually high volume of petitions.

Due to the inter partes nature of IPR trials and the need to avoid selection bias during the evaluation of the results, it is not practical to allow petitioners or patentees to request participation in, or exclusion from, the pilot program.

Finally, it is possible that an IPR initially selected for the single-APJ pilot program will ultimately be determined unsuitable for inclusion in the pilot. In such a situation, the IPR would be removed from the proposed single-APJ pilot program.

Assignment of Trial Panel under the Single-Judge Pilot Program: If the single-APJ decision results in institution of trial, the PTAB would, after institution, assign two additional APJs to the panel for rendering interlocutory decisions, as needed, and for issuing a final written decision on the merits. The PTAB may assign three new APJs to the panel, for example, in the rare circumstance that the APJ who granted the institution is not available to sit on the panel post institution or where, due to workloads, it would be more efficient to assign a new three-judge panel to the proceeding. When possible, the trial panel assignment would maintain the role of the single APJ as the judge generally

managing the proceeding during trial. This would ensure that the judge most familiar with the IPR has the responsibility of coordinating interlocutory activity with the parties during trial.

Scheduling Order: Typically, when trial is instituted, a scheduling order is entered concurrently with the decision on institution. To allow for coordination of deadlines and the trial panel's availability for oral argument and other due dates, the scheduling order in trials instituted pursuant to a decision under this pilot program will not be entered concurrently with the decision on institution. The PTAB expects that, after the trial panel is notified of the assignment, the panel will issue promptly a scheduling order for the IPR.

*Question for Public Comment*: The USPTO is inviting written comments from any member of the public on the pilot program under consideration. Specifically, the USPTO is seeking comment on any issue relevant to the design and implementation of a pilot program under which an IPR trial is conducted by a panel of three APJs in which two of the APJs were not involved in the determination to institute the IPR. In particular, the USPTO is seeking public input on the following questions.

**Questions:**

1. Should the USPTO conduct the single-APJ institution pilot program as proposed herein to explore changes to the current panel assignment practice in determining whether to institute review in a post grant proceeding?
2. What are the advantages or disadvantages of the proposed single-APJ institution pilot program?
3. How should the USPTO handle a request for rehearing of a decision on whether to institute trial made by a single APJ?
4. What information should the USPTO include in reporting the outcome of the proposed single-APJ institution pilot program?
5. Are there any other suggestions for conservation and more efficient use of the judicial resources at the PTAB?

Dated: August 20, 2015.

**Michelle K. Lee,**  
*Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office.*

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